



Sen. Donne E. Trotter

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09900SB1235sam002

LRB099 10249 EFG 34972 a

1 AMENDMENT TO SENATE BILL 1235

2 AMENDMENT NO. _____. Amend Senate Bill 1235 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Section 17-142.1 as follows:

6 (40 ILCS 5/17-142.1) (from Ch. 108 1/2, par. 17-142.1)

7 Sec. 17-142.1. To defray health insurance costs. To provide
8 for the partial reimbursement of health insurance costs.

9 (1) On the first day of September of each year, beginning
10 in 1988, the Board may, by separate warrant, pay to each
11 recipient of a service retirement, disability retirement or
12 survivor's pension an amount to be determined by the Board,
13 which shall represent partial reimbursement for the cost of the
14 recipient's health insurance coverage.

15 (2) In lieu of the annual payment authorized in subdivision
16 (1), for pensioners enrolled in the Fund's regular health care

1 deduction plans, the Fund may pay the health insurance premium
2 reimbursement on a monthly rather than annual basis, at the
3 percentage rate established from time to time by the Board. If
4 the Board so directs, these monthly payments may be made in the
5 form of a direct payment of premium and a reduction in the
6 amount deducted from the annuity, rather than in the form of
7 reimbursement by separate warrant.

8 (3) Total payments under this Section in any year may not
9 exceed \$65,000,000 plus any amount that was authorized to be
10 paid under this Section in the preceding year but was not
11 actually paid by the Board, including any interest earned
12 thereon.

13 (4) The total amount of payments under this Section in any
14 year may not exceed 75% of the total cost of health insurance
15 coverage in that year for all the recipients who receive
16 payments authorized by this Section in that year.

17 (5) There is hereby created the Chicago Teachers' Pension
18 Fund Health Insurance Task Force. The Task Force shall consist
19 of 11 members appointed as follows:

20 (a) Eight members, 2 of whom shall be appointed by each
21 of the 4 legislative leaders.

22 (b) One member, who shall be appointed by the board of
23 trustees of the Fund.

24 (c) One member, who shall be appointed by the executive
25 director of the Retired Teachers Association of Chicago.

26 (d) One member, who shall be appointed by the president

1 of the Chicago Teachers Union.

2 The Task force shall study and consider the program of
3 health insurance coverage for pensioners that is currently
4 administered by the Fund, and shall present its findings and
5 recommendations concerning the following specified matters:

6 (i) the need for increasing the \$65,000,000 limitation
7 on annual payments under subsection (3) of this Section;

8 (ii) moving the administration of the retiree health
9 plan to another appropriate public or private entity;

10 (iii) suggestions for an exit strategy and transition;

11 (iv) consideration of alternative funding mechanisms;

12 and

13 (v) consideration of the proper role of fiduciaries in
14 administering the health insurance program.

15 Members of the Task Force shall serve without compensation.

16 The Fund shall provide a meeting place and clerical support for
17 the Task Force.

18 The Task Force shall present a final report of its findings
19 and recommendations to the Governor of Illinois, the Mayor of
20 Chicago, the Illinois General Assembly, and the Illinois State
21 Library no later than January 31, 2016. Upon the filing of its
22 report and the conclusion of its business, the Task Force is
23 abolished.

24 (Source: P.A. 93-677, eff. 6-28-04.)

25 Section 99. Effective date. This Act takes effect upon

1 becoming law.".